

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other			Local Unit Name VILLAGE OF APPELATE	County SANILAC
Fiscal Year End MARCH 31, 2007	Opinion Date JULY 16, 2007	Date Audit Report Submitted to State AUGUST 13, 2007		

We affirm that:

We are certified public accountants licensed to practice in Michigan.


We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO **Check each applicable box below.** (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>	NO SIGNIFICANT ISSUES NOTED		
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) BRINING & NARTKER, P.C.		Telephone Number (810) 648-4931		
Street Address 47 AUSTIN STREET		City SANDUSKY	State MI	Zip 48471
Authorizing CPA Signature 		Printed Name JOE NARTKER		License Number 11752

**VILLAGE OF APPEGATE
SANILAC COUNTY, MICHIGAN**

**FINANCIAL REPORT
MARCH 31, 2007**

**BRINING & NARTKER, P.C.
Certified Public Accountants**

**VILLAGE OF APPLGATE, MICHIGAN
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BRINING & NARTKER, P.C.

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Village of Applegate
Applegate, Michigan

Members of the Board:

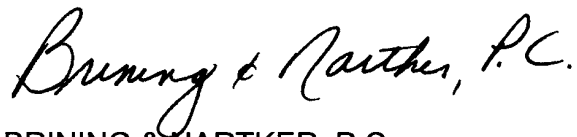
We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Applegate, Michigan, as of and for the year ended March 31, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Applegate, Michigan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Management has not prepared their discussion and analysis information for the Village of Applegate, Michigan. This discussion is required by U.S. generally accepted accounting principles as supplemental information.

In our opinion, except for the omission of management's discussion and analysis as discussed the previous paragraph, which results in an incomplete presentation, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Applegate, Michigan, as of March 31, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information on pages 15 through 19 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Brining & Nartker, P.C.".

BRINING & NARTKER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

July 16, 2007

BASIC FINANCIAL STATEMENTS

**VILLAGE OF APPLGATE, MICHIGAN
STATEMENT OF NET ASSETS
MARCH 31, 2007**

	GOVERNMENTAL ACTIVITIES
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 143,452
Investments	134,270
Capital assets - net of accumulated depreciation	206,371
TOTAL ASSETS	<u>484,093</u>
LIABILITIES:	
Current liabilities:	
Current maturities of long-term debt	10,142
Noncurrent liabilities:	
Noncurrent portion of long-term debt	6,978
TOTAL LIABILITIES	<u>17,120</u>
NET ASSETS:	
Investment in capital fixed assets net of related debt	189,251
Restricted for:	
Streets	187,717
Unrestricted	90,005
TOTAL NET ASSETS	<u>\$ 466,973</u>

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF APPLGATE, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2007**

FUNCTION/PROGRAM	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Governmental Activities:				
General government	\$ 68,474	\$ 8,886	\$ -	\$ 59,588
Public safety	40,761	31,682	-	9,079
Community hall	6,332	2,605	-	3,727
Street maintenance	6,928	-	-	6,928
				-
Total Governmental Activities	<u>\$ 122,495</u>	<u>\$ 43,173</u>	<u>\$ None</u>	<u>\$ 79,322</u>
GENERAL REVENUES:				
Property taxes				38,303
Intergovernmental				
State				61,715
County				6,281
Interest				5,553
Other revenue				942
TOTAL GENERAL REVENUES				<u>112,794</u>
CHANGE IN NET ASSETS				<u>33,472</u>
NET ASSETS - BEGINNING OF YEAR				433,501
NET ASSETS - END OF YEAR				<u>\$ 466,973</u>

The accompanying notes are an integral part of the financial statement.

**VILLAGE OF APPLGATE, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2007**

	GENERAL FUND	MAJOR STREET FUND	LOCAL STREET FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalent	\$ 82,986	\$ 50,951	\$ 9,515	\$ 143,452
Investments	7,000	61,899	65,371	134,270
Due from other funds	15	-		15
TOTAL ASSETS	\$ 90,001	\$ 112,850	\$ 74,886	\$ 277,737
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Due to other funds	\$ -	\$ 7	\$ 8	\$ 15
TOTAL LIABILITIES	None	7	8	15
FUND BALANCE:				
Unreserved	70,848	112,843	74,878	258,569
Reserved	19,153	-	-	19,153
TOTAL FUND BALANCE	90,001	112,843	74,878	277,722
TOTAL LIABILITIES AND FUND BALANCES	\$ 90,001	\$ 112,850	\$ 74,886	\$ 277,737

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF APPLGATE, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2007**

	GENERAL FUND	MAJOR STREET FUND	LOCAL STREET FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Taxes	\$ 37,143	\$ -	\$ -	\$ 37,143
Charges for servies	42,826	-	-	42,826
Intergovernmental	34,274	26,741	8,142	69,157
Interest	621	2,475	2,457	5,553
Other revenue:				
Other	1,289	-	-	1,289
TOTAL REVENUES	<u>116,153</u>	<u>29,216</u>	<u>10,599</u>	<u>155,968</u>
EXPENDITURES:				
Current:				
General government	62,264	-	-	62,264
Public safety	22,206	-	-	22,206
Community hall	5,945	-	-	5,945
Streets	-	4,943	1,985	6,928
Debt service	10,674	-	-	10,674
TOTAL EXPENDITURES	<u>101,089</u>	<u>4,943</u>	<u>1,985</u>	<u>108,017</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>15,064</u>	<u>24,273</u>	<u>8,614</u>	<u>47,951</u>
FUND BALANCE - BEGINNING OF YEAR	74,937	88,570	66,264	229,771
FUND BALANCE - END OF YEAR	<u>\$ 90,001</u>	<u>\$ 112,843</u>	<u>\$ 74,878</u>	<u>\$ 277,722</u>

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF APPLGATE, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Village Of Applegate conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Village.

Reporting Entity

The Village is located in Sanilac County, Michigan and operates under the council form of government and provides the following services; public safety (fire protection), highways and streets, public improvements, planning and zoning, and general administrative services. The Village offices are located at 2459 Sherman Street, Applegate Michigan.

Government-Wide and Fund Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of the Interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

(Continued)

**VILLAGE OF APPLGATE, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

The governmental fund financial statements consist of the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances. These financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Those revenues susceptible to accrual are licenses and interest. Revenue charges for services, fines, and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for another fund.

The Major Street Fund and Local Street Fund are used to account for the resources of state gas and weight tax revenues that are restricted for use on major streets and local streets, respectively.

Property Taxes

Properties are assessed as of June 30, and the related property taxes become a lien on July 1 the following year. These taxes are due on September 14 after which they are added to the County tax roll. The delinquent real property taxes of the Village are purchased by the County of Sanilac. The County sells tax notes, the proceeds of which are used to pay the Village for these taxes. These taxes have been recorded as revenue for the current year.

(Continued)

**VILLAGE OF APPEGATE, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide statement of net assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In accordance with the provisions of GASB 34, the Village has elected to capitalize the cost of governmental fund infrastructure assets after the implementation date of GASB 34. Prior acquisitions or construction costs of infrastructure assets will not be recorded. Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Infrastructure - Roads	20 years
Vehicles - Fire	15 years
Equipment	10 years
Buildings	40 years
Building Improvements	20 years

Budgets

Annual budgets are approved prior to the beginning of the fiscal year and are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year end. The Village does not utilize encumbrance accounting.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

For presentation on the financial statements, investments in cash management pools and investments with an original maturity of three months or less at the time they are purchased by the Village are considered to be cash equivalents.

Investments

Investments with an initial maturity of more than three months are reported as investments.

**VILLAGE OF APPLGATE, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(CONTINUED)**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – BUDGET VIOLATIONS:

P.A. 621 of 1978, section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. The legal level of budgetary control adopted by the governing body is the department level.

In the financial statements, the Village's actual expenditures and budgeted expenditures have been shown on a department basis. The approved budgets of the Village for these budgetary funds were adopted at the departmental level.

During the year ended March 31, 2007, the Village incurred expenditures in certain budgetary funds which were in excess of the amount appropriated, as follows:

FUND	<u>AMOUNT APPROPRIATED</u>	<u>AMOUNT OF EXPENDITURES</u>	<u>BUDGET VARIANCE</u>
General Fund:			
Public Safety	\$ 22,128	\$ 22,206	\$ 78

NOTE 3 – DEPOSITS AND INVESTMENTS:

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase, obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Village has designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investments as listed above. The Village's deposits and investment policies are in accordance with statutory authority.

The Village's cash and investments are subject to custodial credit risk, which are examined in more detail below:

(Continued)

**VILLAGE OF APPLGATE, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(CONTINUED)**

NOTE 3 – DEPOSITS AND INVESTMENTS: (Continued)

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. At year end, the Village had \$179,368 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized. The Village believes that due to the dollar amounts of cash deposits and limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Village evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

NOTE 4 – LONG-TERM DEBT:

On November 6, 2003, the Village financed \$48,000 of the purchase of a 1992 Mack fire truck through Exchange State Bank. The financing requires 60 monthly payments of \$889 including interest at 4.25% beginning December, 2003.

	<u>BALANCE APRIL 1, 2006</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE MARCH 31, 2007</u>
Exchange State Bank	\$ 26,841	\$ -	\$ 9,721	\$ 17,120
Total	<u>\$ 26,841</u>	<u>\$ None</u>	<u>\$ 9,721</u>	<u>\$ 17,120</u>

Annual debt service requirements to maturity for the financing with Exchange State Bank are as follows at March 31:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2008	\$ 10,142	\$ 532
2009	6,978	111
	<u>\$ 17,120</u>	<u>\$ 643</u>

**VILLAGE OF APPLGATE, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(CONTINUED)**

NOTE 5 – CAPITAL ASSETS:

Capital asset activity for the current year was as follows:

	APRIL 1, 2006 BEGINNING BALANCE	ADDITIONS	DISPOSALS AND ADJUSTMENTS	MARCH 31, 2007 ENDING BALANCE
<u>PRIMARY GOVERNMENT</u>				
Capital Assets Being Depreciated				
Buildings	\$ 40,740	\$ -	\$ -	\$ 40,740
Equipment	47,190	-	-	47,190
Infrastructure	124,244	-	-	124,244
Vehicles	183,115	-	-	183,115
Total Capital Assets Being Depreciated	<u>395,289</u>	<u>None</u>	<u>None</u>	<u>395,289</u>
Less Accumulated Depreciation for:				
Building	25,872	1,062	-	26,934
Equipment	11,138	4,719	-	15,857
Infrastructure	7,988	6,211	-	14,199
Vehicles	119,721	12,207	-	131,928
Total For Accumulated Depreciation	<u>164,719</u>	<u>24,199</u>	<u>None</u>	<u>188,918</u>
Governmental Activity Capital Assets - Net	<u>\$ 230,570</u>	<u>\$ (24,199)</u>	<u>\$ None</u>	<u>\$ 206,371</u>

Depreciation expense was charged to programs of the Village as follows:

General Government	\$ 386
Public Safety	17,602
Public Works	6,211
	<u>\$ 24,199</u>

**VILLAGE OF APPELATE, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(CONTINUED)**

NOTE 6 – NET ASSETS/FUND BALANCE – RESERVED:

The Village earmarks General Fund monies for specific purposes. The restricted balances at March 31, 2007 are as follows:

Fire	\$ 17,560
Village Hall	1,593
Total	<u>\$ 19,153</u>

NOTE 7 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

The General Fund's fund balance and the net change in fund balance differ from net assets and change in net assets reported in the statement of net assets and statement of activities. This difference results primarily from the long-term economic focus of the statement of net assets and statement of activities versus the economic focus of the statement of the General Fund balance sheet and statement of revenue, expenditures, and changes in fund balance. The following is a reconciliation of fund balance to net assets and the net change in fund balance to the net change in net assets:

Total Fund Balance - Modified Accrual Basis	\$ 277,722
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental fund. Capital assets at year end consist of:	
Capital asset cost	\$ 395,289
Capital asset accumulated depreciation	<u>(188,918)</u>
	206,371
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental fund. Long-term liabilities at year end consist of:	
Exchange State Bank	(17,120)
Total Net Assets - Full Accrual Basis	<u>\$ 466,973</u>

(Continued)

**VILLAGE OF APPEGATE, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(CONTINUED)**

NOTE 7 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS: (Continued)

Net Change in Fund Balances - Modified Accrual Basis		\$ 47,951
Total change in net assets reported for governmental activities in the statement of activities is difference because:		
The governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Current year depreciation expense	\$ 24,199	
Capital outlays reported in the governmental fund	<u>-</u>	
Net differences		(24,199)
Repayment of loans is an expenditure in governmental funds but reduces long-term liabilities in the statement of net assets.		
		9,720
Change in Net Assets of Governmental Activities - Full Accrual Basis		<u>\$ 33,472</u>

NOTE 8 - RISK MANAGEMENT:

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Village continues to carry commercial insurance for risks of loss. The Village does not provide employee health or life insurance coverage. The Village does provide workers compensation insurance coverage.

REQUIRED SUPPLEMENTARY INFORMATION

**VILLAGE OF APPLGATE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2007**

	<u>ORIGINAL BUDGET</u>	<u>FINAL AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Taxes:				
Current taxes	<u>\$ 38,000</u>	<u>\$ 38,000</u>	<u>\$ 37,143</u>	<u>\$ (857)</u>
Charges for Services:				
Fire contracts	19,885	19,885	19,885	-
Fire runs	8,000	8,000	11,450	3,450
Refuse collection	10,836	10,836	8,886	(1,950)
Hall rental	3,650	3,650	2,605	(1,045)
Total Charges for Services	<u>42,371</u>	<u>42,371</u>	<u>42,826</u>	<u>455</u>
Intergovernmental				
State	28,500	28,500	27,993	(507)
County	6,500	6,500	6,281	(219)
Total Intergovernmental	<u>35,000</u>	<u>35,000</u>	<u>34,274</u>	<u>(726)</u>
Interest	<u>450</u>	<u>450</u>	<u>621</u>	<u>171</u>
Other Revenue:				
Miscellaneous	500	500	1,289	789
TOTAL REVENUES	<u>116,321</u>	<u>116,321</u>	<u>116,153</u>	<u>(168)</u>
EXPENDITURES:				
General Government				
Salaries	14,115	14,115	14,971	(856)
Office supplies	700	700	830	(130)
Legal	1,000	1,000	512	488
Printing and publishing	600	600	145	455
Insurance	26,400	26,400	23,707	2,693
Elections	500	500	-	500

(Continued)

**VILLAGE OF APPLGATE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2007
(CONTINUED)**

	<u>ORIGINAL BUDGET</u>	<u>FINAL AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
EXPENDITURES: (Continued)				
General Government (Continued)				
Trash removal	\$ 10,836	\$ 10,836	\$ 10,892	\$ (56)
Payroll taxes	3,600	3,600	1,621	1,979
Grass mowing	3,000	3,000	2,270	730
Heat	1,400	1,400	1,470	(70)
Telephone	450	450	386	64
Street lights	5,000	5,000	4,378	622
Maintenance	1,000	1,000	432	568
Miscellaneous	700	700	650	50
Total General Government	<u>69,301</u>	<u>69,301</u>	<u>62,264</u>	<u>7,037</u>
Public Safety:				
Fire Protection:				
Volunteer fireman wages	6,500	6,500	6,190	310
Education	500	500	879	(379)
Vehicle fuel	1,200	1,200	1,376	(176)
Repairs and maintenance	2,500	2,500	2,420	80
Health	500	500	-	500
Miscellaneous	500	500	413	87
Supplies	-	-	4,755	(4,755)
Equipment certification	1,000	1,000	-	1,000
Capital outlay	1,000	2,600	-	2,600
Law Enforcement	4,328	4,328	4,614	(286)
Ambulance service	2,500	2,500	1,559	941
Total Public Safety	<u>20,528</u>	<u>22,128</u>	<u>22,206</u>	<u>(78)</u>

(Continued)

**VILLAGE OF APPLGATE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2007
(CONTINUED)**

	<u>ORIGINAL BUDGET</u>	<u>FINAL AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
EXPENDITURES: (Continued)				
Community Hall:				
Electric	\$ 3,700	\$ 3,700	\$ 2,578	\$ 1,122
Heat	2,000	2,000	1,441	559
Supplies	1,000	1,000	1,526	(526)
Other	1,035	1,035	-	1,035
Maintenance	500	500	-	500
Rental refunds	600	600	400	200
Total Community Hall	<u>8,835</u>	<u>8,835</u>	<u>5,945</u>	<u>2,890</u>
Debt service	10,674	10,674	10,674	-
TOTAL EXPENDITURES	<u>109,338</u>	<u>110,938</u>	<u>101,089</u>	<u>9,849</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>6,983</u>	<u>5,383</u>	<u>15,064</u>	<u>9,681</u>
FUND BALANCE - BEGINNING OF YEAR	74,937	74,937	74,937	-
FUND BALANCE - END OF YEAR	<u>\$ 81,920</u>	<u>\$ 80,320</u>	<u>\$ 90,001</u>	<u>\$ 9,681</u>

**VILLAGE OF APPLGATE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
MAJOR STREET FUND
FOR THE YEAR ENDED MARCH 31, 2007**

	<u>ORIGINAL/ FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
Intergovernmental	\$ 28,900	\$ 26,741	\$ (2,159)
Interest	300	2,475	2,175
TOTAL REVENUES	<u>29,200</u>	<u>29,216</u>	<u>16</u>
EXPENDITURES:			
Street maintenance:			
Snow removal	8,500	3,803	4,697
Repairs and maintenance	2,500	480	2,020
Supplies	200	560	(360)
Wages	100	100	-
TOTAL EXPENDITURES	<u>11,300</u>	<u>4,943</u>	<u>6,357</u>
Excess of Revenues Over (Under) Expenditures	<u>17,900</u>	<u>24,273</u>	<u>6,373</u>
Fund Balance - Beginning of Year	88,570	88,570	-
Fund Balance - End of Year	<u>\$ 106,470</u>	<u>\$ 112,843</u>	<u>\$ 6,373</u>

**VILLAGE OF APPLGATE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
LOCAL STREET FUND
FOR THE YEAR ENDED MARCH 31, 2007**

	<u>ORIGINAL/ FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
Intergovernmental	\$ 8,300	\$ 8,142	\$ (158)
Interest	100	2,457	2,357
TOTAL REVENUES	<u>8,400</u>	<u>10,599</u>	<u>2,199</u>
EXPENDITURES:			
Street maintenance:			
Snow removal	3,200	1,885	1,315
Repairs and maintenance	2,500	-	2,500
Supplies	100	-	100
Wages	100	100	-
TOTAL EXPENDITURES	<u>5,900</u>	<u>1,985</u>	<u>3,915</u>
Excess of Revenues Over Expenditures	<u>2,500</u>	<u>8,614</u>	<u>6,114</u>
Fund Balance - Beginning of Year	66,264	66,264	-
Fund Balance - End of Year	<u>\$ 68,764</u>	<u>\$ 74,878</u>	<u>\$ 6,114</u>